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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

THOSE CERTAIN
UNDERWRITERS AT LLOYD'S,
LONDON, subscribing to Policy No.
SUA WS20214-1801

Plaintiffs,

vs.

VOIP GUARDIAN LLC, a Delaware
limited liability company; et al.

Defendants.

Case No. 2:23-cv-03710-DSF-MRW

**REPORT OF SETTLEMENT OF
ENTIRE ACTION AND REQUEST
FOR TEMPORARY STAY
PENDING RESOLUTION OF
RELATED APPELLATE
PROCEEDINGS**

[L.R. 16-15.7]

TO THIS HONORABLE COURT:

Pursuant to Local Rule 16-15.7 of the Local Rules of Court of the United States District Court for the Central District of California, Plaintiffs THOSE CERTAIN UNDERWRITERS AT LLOYD'S, LONDON WHICH SUBSCRIBE TO POLICY NUMBER SUA WS20214 1801 (hereinafter, "Underwriters"), and Defendants VOIP GUARDIAN LLC; VOIP GUARDIAN II, LLC; VOIP GUARDIAN PARTNERS II, LLC; RODNEY OMANOFF; RICHARD OMANOFF; CONTACTS & CONTRACTS, LLC; OMANOFF AMERICA LLC; OMANOFF AMERICA TELECOM LLC

1 (hereinafter collectively, the “Omanoff Defendants”), hereby notify the Court that
2 Underwriters and the Omanoff Defendants have reached a settlement in this action.

3 Underwriters have entered into a written settlement with the “Omanoff
4 Defendants”), and Defendant Timothy Yoo, in his capacity as the duly appointed and
5 acting chapter 7 trustee for the bankruptcy estate of VOIP GUARDIAN PARTNERS I,
6 LLC (hereinafter, the “Trustee”).¹

7 In relevant part, the settlement agreement provides for Underwriters to make
8 payment to the Trustee as part of a separate settlement between the Trustee and the
9 Omanoff Defendants of adversary proceedings pending in the United States Bankruptcy
10 Court for the Central District of California, in exchange for mutual releases between
11 Underwriters and the Omanoff Defendants, and a mutually agreed-upon rescission of that
12 certain policy of professional liability insurance issued by Underwriters to VOIP
13 Guardian LLC, Policy No. SUA WS20214-1801 (the “Policy”).

14 These parties’ settlement agreement is contingent upon the Bankruptcy Court
15 granting the Trustee’s Motion to Approve the Settlement pursuant to Federal Rule of
16 Bankruptcy Procedure, Rule 9019, and is further contingent upon the Bankruptcy Court’s
17 order approving the settlement becoming final and non-appealable.

18 On January 22, 2024, Hon. Barry Russell, United States Bankruptcy Judge, entered
19 an order (the “Approval Order”) granting the Trustee’s motion, approving the settlement,
20 and ordering that upon the Trustee’s receipt of the settlement payment, the Policy is
21 rescinded and void *ab initio*. (*In re VOIP Guardian Partners I, LLC*, United States
22 Bankruptcy Court, Central District of California Case No. 2:19-bk-12607-BR, ECF #
23 232.)

24 Certain parties in the Adversary Proceeding objected to the Approval Order and
25 have now filed an appeal from same with the United States Bankruptcy Appellate Panel
26

27
28 ¹ The Trustee was voluntarily dismissed from this action without prejudice on August 14, 2023.
[ECF 23]

1 for the Ninth Circuit. (*In re VOIP Guardian Partners I, LLC*, United States Bankruptcy
2 Appellate Panel, Ninth Circuit, BAP No. CC-24-1005) Those certain objecting parties
3 also have filed a Motion for Stay Pending Appeal, seeking to stay the Approval Order.
4 (*In re VOIP Guardian Partners I, LLC*, United States Bankruptcy Appellate Panel, Ninth
5 Circuit, BAP No. CC-24-1005, ECF # 5-1) The Trustee has filed a Motion to Dismiss
6 the Appeal Based on Lack of Jurisdiction. (*In re VOIP Guardian Partners I, LLC*, United
7 States Bankruptcy Appellate Panel, Ninth Circuit, BAP No. CC-24-1005.)

8 Pursuant to the terms of the settlement agreement, Underwriters and the Omanoff
9 Defendants shall file a motion for entry of a consent judgment in this Court, for an order
10 and judgment approving the stipulated rescission of the Policy, upon the Approval Order
11 becoming final and non-appealable. Until the Ninth Circuit affirms the Approval Order
12 or dismisses the appeal of the Approval Order, this condition precedent to the final
13 settlement of this action has yet to occur. Therefore, Underwriters and the Omanoff
14 Defendants respectfully request the Court temporarily stay all proceedings in this case
15 and direct the parties to submit a report on the status of the appeal of the Approval Order
16 within ninety (90) days, or as soon as the Approval Order becomes final, whichever
17 occurs first.

18 Underwriters have separately reached settlements with all other named
19 defendants in this lawsuit, which provide in relevant part that these defendants have
20 agreed to be bound by the consent judgment, and in exchange for this stipulation,
21 Underwriters have agreed to dismiss this action as to all such defendants, with prejudice.²

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24 ///

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27 ² The specific defendants who have entered into these stipulations are Jeffrey Greenberg as
28 Trustee of the Marcia Kostrin Trust and the Professional Home Improvements Inc. Retirement
Plan; Mudmonth, LLC; Philipson International, LLC; Mark Proto; Joesph Rahman aka
Youssef A. Rahman; John O. Philipson; and, Adela Philipson.

1 Therefore, the disposition of Underwriters' motion for entry of a consent judgment
2 will fully resolve this matter as to all parties.

3 Respectfully submitted,

4 SHOECRAFT & ASSOCIATES

5 Dated: February 9, 2024

By: /s/ Devin T. Shoecraft
Devin T. Shoecraft, Esq.
Attorneys for Plaintiffs Those Certain
Underwriters At Lloyd's, London

8 PASICH LLP

9
10 Dated: February 9, 2024

By: /s/ Kirk Pasich
Kirk Pasich, Esq.
Attorneys for Defendants VoIP Guardian LLC,
Rodney Omanoff, Omanoff America LLC, Omanoff
America Telecom, LLC, Contacts & Contracts, LLC,
Richard Omanoff, and VoIP Guardian Partners II,
LLC

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15 **ATTESTATION STATEMENT**

16 Pursuant to Local Rule 5-4.3.4(a), I, Devin T. Shoecraft, the filer of this
17 document, attest that all other signatories listed above, and on whose behalf this filing is
18 submitted, concur in this filing's content and have authorized this filing.

19 SHOECRAFT & ASSOCIATES

20 Dated: February 9, 2024

By: /s/ Devin T. Shoecraft
Devin T. Shoecraft, Esq.
Attorneys for Plaintiffs Those Certain
Underwriters At Lloyd's, London